

PLANS AND OBJECTIVES



FIB Commissioner Patrick M. McQueen and Deputy Commissioners.

LEGISLATIVE OBJECTIVES

Changes are needed to modernize the Michigan Banking Code of 1969 to accommodate the evolution of financial institutions' products, structures, and technology in the past two decades and to carry the industry into the next millenium. At year-end 1998, the Bureau was working with the banking industry to further refine the proposal and hopes that the bill will be introduced early in 1999.

The Bureau hopes the Legislature will take up in the spring of 1999 a joint FIB/industry proposal to modernize the Consumer Financial Services Act (CFSA). Recent changes in the Mortgage Brokers, Lenders and Servicers Licensing Act (MBLSLA) and the Secondary Mortgage Loan Act (SMLA) to eliminate branch office licensing and restructure regulatory fees necessitate comparable reform of the CFSA whose licensees compete in the mortgage business. The proposal contains new supervisory tools.

The Bureau has revoked the licenses of several firms that have willfully and repeatedly violated state laws and pose a threat to the public welfare, only to find later that the individuals responsible for the problems are employed by other mortgage companies. The Bureau will recommend amending the CFSA, the MBLSLA, the SMLA, and the Regulatory Loan Act of 1963 to allow the Commissioner to bar persons who commit serious violations of law from being involved in any in these businesses.

A 1998 amendment to the Home Solicitation Sales Act inadvertently expanded the act's coverage to even some transactions closed on a business' established premises. The Bureau proposes amendments that would exempt transactions consummated on a business' premises, exempt transactions with depository institutions and their affiliates, and define the term "written solicitation". It is expected that the Legislature will consider this measure early in 1999.

Originally required as evidence that lenders had filed disclosure reports with appropriate federal authorities in order to qualify for public fund deposits, housing lenders' annual affidavits of compliance with the Home Mortgage Disclosure Act have become obsolete. State public funds laws were amended in 1997 to eliminate reference to the affidavit. In addition, federal agency Internet sites now provide detailed information about reporting requirements. The Bureau will recommend that this affidavit provision be repealed.

The Bureau will recommend an amendment to the SMLA to correct several inadvertent errors in the 1997 modernization of this law and is

promulgating an amendment to the SMLA rules to conform with 1997 changes in the law.

The Bureau would like to see the Legislature consider this session a bill that would allow directors of a Michigan corporate central credit union to be residents of other states. This legislation is needed, in the event of a merger involving Michigan's corporate central credit union and a corporate central from another state, to allow the resulting credit union to maintain a Michigan charter.